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02/03/2000

DEPARTMENT OF LIVESTOCK



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STATE OF MONTANA

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BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENTS COLLECTION

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%

\$ 13.26 /CWT

EFFECTIVE MARCH 1, 2000:

The minimum price to pay milk producers, under ARM 32.24.301, is \$ 13.26 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of nine and six-tenths cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$.96.

CLASS I BUTTERFAT PRICE PER POUND

\$0.96 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

\$10.79 /CWT

Average spray process dry milk solids

price per pound = \$1.01750

Multiplied by 8.2 x 8.2

\$8.34350

\$8.34350

PLUS +

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$0.82050

Multiplied by 4.2 x 4.2

\$3.44610

+ \$3.44610

\$11.78960

LESS a make allowance of 8.5% (\$11.7896 X .085)

- \$1.00212

\$10.78748

Rounded to the nearest whole cent = \$10.79 /hundredweight.

PLEASE RETURN

EFF: MAR 1, 2000

CLASS II BUTTERFAT PRICE PER POUND**\$0.91 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$0.82050	X .111)	=
Rounded to the nearest half cent	=			\$0.09108
				\$0.091

CLASS II VALUE OF ONE POUND OF SKIM**\$0.07881 /LB**

Butterfat value per pound	\$0.91		
for milk at 3.5% test:			
Hundredweight price of milk testing 3.5%		=	\$10.79
LESS 3.5 pounds of butterfat at	\$0.91 per pound	-	\$3.185
Value of 96.5 pounds of skim		=	\$7.605
Value of one pound of skim	7.605 / 96.5 pounds)	=	\$0.07881 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND**\$0.74 /LB**

Last quote of the month for Grade AA butter	
minus a difference of \$.0895	= \$0.82050
LESS 10%	- \$0.08205
	\$0.73845

Rounded to the nearest whole cent	\$0.74 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.92511 /CWT**

Avg. spray process dry milk solid price/lb	\$1.01750
Multiplied by 8.2	8.2
	\$8.34350
LESS 17%	\$1.41840
	\$6.92511

Rounded to the nearest whole cent	\$6.93 per hundredweight.
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CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$9.27 /CWT**

3.5 pounds of butterfat	\$0.74 per pound =	\$2.590
96.5 pounds of skim	\$0.06925 per pound =	\$6.683

BY ORDER OF THE MONTANA MILK CONTROL BUREAU**\$9.273 /CWT**

Compiled by:

Marys M. Mattfeldt
 Marys M. Mattfeldt, Program Specialist
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$ 13.26 FOR 3.5% MILK 96.5 LBS = \$9.915		CLASS II SKIM PRICE BASED ON \$10.79 FOR 3.5% MILK 96.5 LBS = \$7.605		CLASS III SKIM PRICE BASED ON \$9.27 FOR 3.5% MILK 96.5 LBS = \$6.683	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10169	2.50	\$0.07800	2.50	\$0.06854
2.55	\$0.10174	2.55	\$0.07804	2.55	\$0.06858
2.60	\$0.10180	2.60	\$0.07808	2.60	\$0.06861
2.65	\$0.10185	2.65	\$0.07812	2.65	\$0.06865
2.70	\$0.10190	2.70	\$0.07816	2.70	\$0.06868
2.75	\$0.10195	2.75	\$0.07820	2.75	\$0.06872
2.80	\$0.10201	2.80	\$0.07824	2.80	\$0.06875
2.85	\$0.10206	2.85	\$0.07828	2.85	\$0.06879
2.90	\$0.10211	2.90	\$0.07832	2.90	\$0.06882
2.95	\$0.10216	2.95	\$0.07836	2.95	\$0.06886
3.00	\$0.10222	3.00	\$0.07840	3.00	\$0.06889
3.05	\$0.10227	3.05	\$0.07844	3.05	\$0.06893
3.10	\$0.10232	3.10	\$0.07848	3.10	\$0.06897
3.15	\$0.10238	3.15	\$0.07852	3.15	\$0.06900
3.20	\$0.10243	3.20	\$0.07856	3.20	\$0.06904
3.25	\$0.10248	3.25	\$0.07860	3.25	\$0.06907
3.30	\$0.10253	3.30	\$0.07865	3.30	\$0.06911
3.35	\$0.10259	3.35	\$0.07869	3.35	\$0.06914
3.40	\$0.10264	3.40	\$0.07873	3.40	\$0.06918
3.45	\$0.10269	3.45	\$0.07877	3.45	\$0.06922
3.50	\$0.10275	3.50	\$0.07881	3.50	\$0.06925
3.55	\$0.10280	3.55	\$0.07885	3.55	\$0.06929
3.60	\$0.10285	3.60	\$0.07889	3.60	\$0.06932
3.65	\$0.10291	3.65	\$0.07893	3.65	\$0.06936
3.70	\$0.10296	3.70	\$0.07897	3.70	\$0.06939
3.75	\$0.10301	3.75	\$0.07901	3.75	\$0.06943
3.80	\$0.10307	3.80	\$0.07905	3.80	\$0.06947
3.85	\$0.10312	3.85	\$0.07910	3.85	\$0.06950
3.90	\$0.10317	3.90	\$0.07914	3.90	\$0.06954
3.95	\$0.10323	3.95	\$0.07918	3.95	\$0.06958
4.00	\$0.10328	4.00	\$0.07922	4.00	\$0.06961
4.05	\$0.10334	4.05	\$0.07926	4.05	\$0.06965
4.10	\$0.10339	4.10	\$0.07930	4.10	\$0.06968
4.15	\$0.10344	4.15	\$0.07934	4.15	\$0.06972
4.20	\$0.10350	4.20	\$0.07938	4.20	\$0.06976
4.25	\$0.10355	4.25	\$0.07943	4.25	\$0.06979
4.30	\$0.10361	4.30	\$0.07947	4.30	\$0.06983
4.35	\$0.10366	4.35	\$0.07951	4.35	\$0.06987
4.40	\$0.10371	4.40	\$0.07955	4.40	\$0.06990
4.45	\$0.10377	4.45	\$0.07959	4.45	\$0.06994
4.50	\$0.10382	4.50	\$0.07963	4.50	\$0.06998

PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1998 and 1999

Statistics from the Montana Milk Control Bureau

Month	1999	2000	Difference	% Change
January	\$19.39	\$12.34	(\$7.05)	-36.36%
February	\$19.89	\$13.45	(\$6.44)	-32.38%
March	\$18.82	\$13.26	(\$5.56)	-29.54%
April	\$12.82			
May	\$14.17			
June	\$14.36			
July	\$13.81			
August	\$13.97			
September	\$16.14			
October	\$18.34			
November	\$18.81			
December	<u>\$14.04</u>			
Average	\$16.21	\$13.02	(\$6.35)	-32.76%

Prices are per hundredweight (CWT).

